



June 19, 2006

VIA EMAIL: [secretary@cftc.gov](mailto:secretary@cftc.gov)

Ms. Eileen A. Donovan, Acting Secretary  
Secretary of the Commission  
Commodity Futures Trading Commission  
3 Lafayette Centre  
1155 21st Street, N.W.  
Washington, D.C. 20581

RE: Rule Certification: HedgeStreet<sup>®</sup> Re-lists Weekly Crude Oil Variable Payout Contracts  
with Larger Settlement Values – Submission pursuant to Commission Regulation  
§40.6(a)

Dear Secretary Webb:

Pursuant to Section 5c(c)(1) of the Commodity Exchange Act, as amended ("Act"), §40.6(a) of the regulations promulgated by the Commodity Futures Trading Commission (the "Commission") under the Act, HedgeStreet, Inc. ("HedgeStreet") hereby certifies with the Commission that it intends to re-list Weekly Crude Oil contracts ("Contracts") as defined in HedgeStreet Rule 12.36(f)(i). In addition, HedgeStreet is increasing the Settlement Value for such Contracts to \$100. As a result of the increase in the Settlement Value amount, HedgeStreet is amending i) the Payout Criteria for the Contracts; and ii) both the reporting level and speculative position limits for these Contracts in order to accommodate the larger Settlement Value. All amendments for these Contracts are defined in Exhibit A. The rule deletions are stricken out and the amendments and/or additions are underlined.

HedgeStreet intends to implement these rule amendments at the start of business on Tuesday, June 20, 2006. No substantive opposing views were expressed to HedgeStreet with respect to these additions.

HedgeStreet hereby certifies that the Contracts and clearing of the Contracts, including all rules defining the terms and conditions of said Contracts contained herein, complies with the Act, as amended, and the Commission's regulations adopted thereunder.

Should you have any questions regarding the above, please do not hesitate to contact Stephanie Ford by telephone at (650) 638-3511 or by email at [sford@hedgestreet.com](mailto:sford@hedgestreet.com).

Sincerely,

Stephanie Ford  
Vice President, Legal & Compliance

cc: Clarissa Manansala – HedgeStreet, Inc.

[www.hedgestreet.com](http://www.hedgestreet.com)

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OFFICE OF THE SECRETARY

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**EXHIBIT A**

Amendments to Rule 12.36 only

*(The following new Rule additions are underlined and deletions are stricken out)*

**RULE 12.36 CRUDE OIL VARIABLE PAYOUT CONTRACTS**

(a) - (e) [unchanged]

(f) **PAYOUT CRITERION** – The Payout Criterion for each Contract will be set by HedgeStreet at the time the Variable Payout Contracts are initially issued. For the Variable Payout Hedgelet Contract, the Payout Criteria for the Contracts will be set as follows;

(i) **WEEKLY VARIABLE CRUDE OIL CONTRACT**

(1) ~~CAP – The Cap shall be  $X + \$15.00$~~

(2) ~~FLOOR – The Floor shall be  $X - \$15.00$~~

(3) ~~DOLLAR MULTIPLIER – The Dollar Multiplier shall be 1.~~

(4) ~~In each case, “X” equals the last Expiration Value of Crude Oil, rounded to the nearest dollar (\$1.00), as reported by the Source Agency.~~

**(1) WEEKLY VARIABLE PAYOUT CONTRACT 1**

(aa) CAP – The Cap shall be X.

(bb) FLOOR – The Floor shall be  $X - \$10.00$ .

(cc) DOLLAR MULTIPLIER – The Dollar Multiplier shall be 10.

**(2) WEEKLY VARIABLE PAYOUT CONTRACT 2**

(aa) CAP – The Cap shall be  $X + \$5.00$

(bb) FLOOR – The Floor shall be  $X - \$5.00$

(cc) DOLLAR MULTIPLIER – The Dollar Multiplier shall be 10.

**(3) WEEKLY VARIABLE PAYOUT CONTRACT 3**



(aa) CAP – The Cap shall be  $X + \$10.00$

(bb) FLOOR – The Floor shall be  $X$ .

(cc) DOLLAR MULTIPLIER – The Dollar Multiplier shall be 10.

(4) In each case, “X” equals the last Expiration Value of Crude Oil, rounded to the nearest five dollars ~~(\$1.00)~~ (\$5.00), as reported by the Source Agency.

(ii) – (v) [unchanged]

(g) [unchanged]

(h) REPORTING LEVEL – The Reporting Level for the Crude Oil Variable Payout Hedgelets shall be ~~41,667~~ 12,500 Contracts.

(i) POSITION LIMIT – The Position Limits for Crude Oil Variable Payout Hedgelets shall be ~~833,333~~ 250,000 Contracts.

(j) – (o) [unchanged]

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